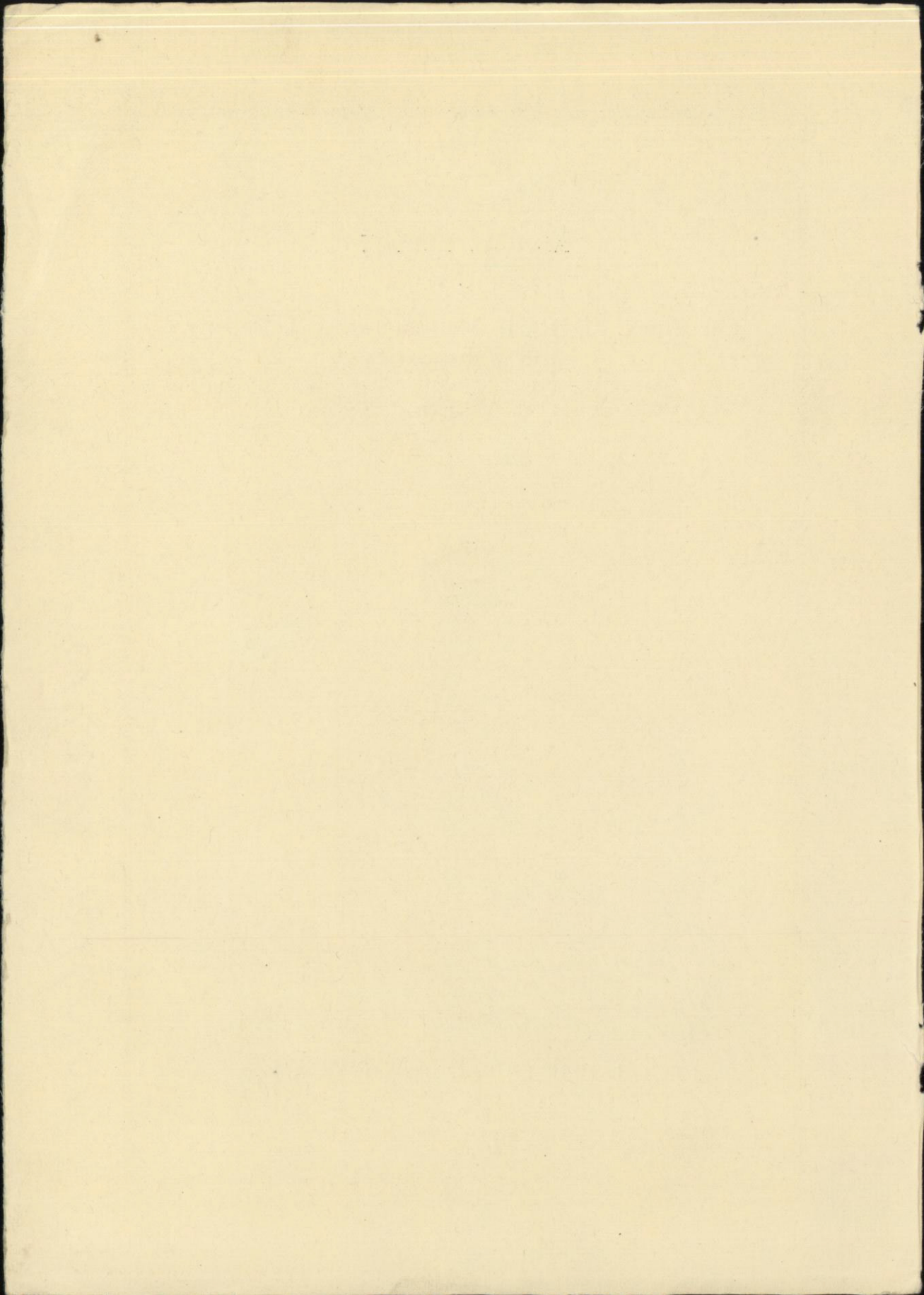


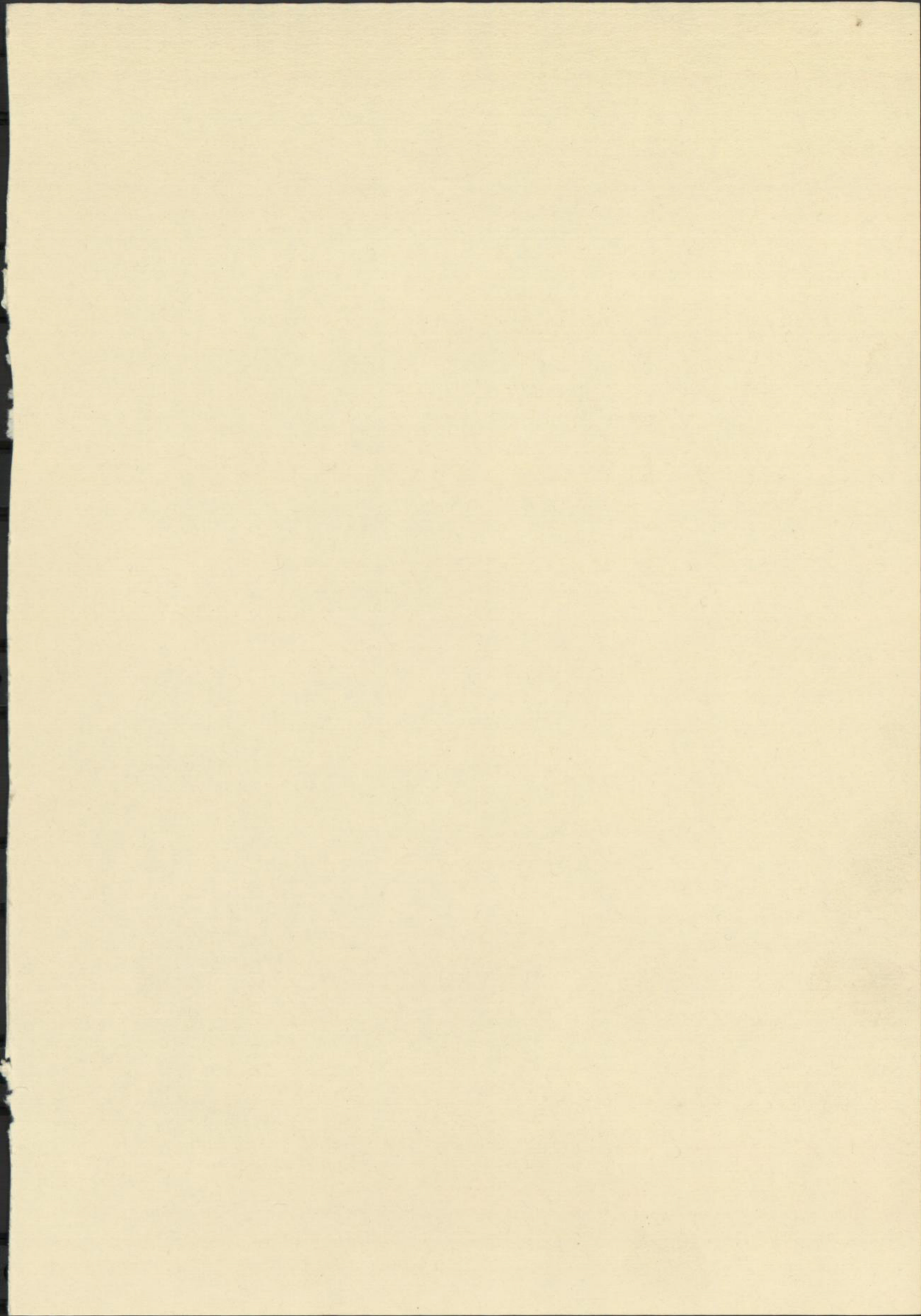
ANNUAL REPORT
of
The Apex Electrical Manufacturing Company
and Subsidiaries

Cleveland, Ohio



FISCAL YEAR ENDING DECEMBER 31, 1930





The Apex Electrical Manufacturing Company
CLEVELAND, OHIO

OFFICERS

C. G. Frantz	- - - - -	<i>President</i>
W. A. Frantz	- - - - -	<i>Vice President</i>
C. A. Kolp	- - - - -	<i>Vice President</i>
R. J. Strittmatter	- - - - -	<i>Vice President</i>
H. R. Lanning	- - - - -	<i>Vice President</i>
G. W. Kelsey	- - - - -	<i>Treasurer</i>
Wm. A. McAfee	- - - - -	<i>Secretary</i>

DIRECTORS

C. G. Frantz	R. H. Clarke	W. A. Frantz
G. W. Kelsey	W. T. Holliday	C. A. Kolp
S. T. Campbell	A. L. Assmus	R. J. Strittmatter

The Cleveland Trust Company	- - - - -	<i>Registrar and Transfer Agent</i>
Holliday, Grossman & McAfee	- - - - -	<i>General Council</i>
Smith and Freeman	- - - - -	<i>Patent Council</i>
Ernst and Ernst	- - - - -	<i>Accountants</i>

Cleveland, Ohio, March 27, 1931

TO APEX STOCKHOLDERS:

The Certified Audit of this Company and its Subsidiaries is reproduced herewith with the accompanying Consolidated Balance Sheet, setting forth the financial position of the Apex Companies at the close of business December 31, 1930. Income and Expense, also Profit and Loss Surplus Statements are likewise given showing the results of the year's operations.

Net Earnings were \$223,762.60 being the amount remaining after ample provision for Depreciation, Reserves and Federal Taxes. After deducting current Preferred dividends, the Net Earnings on the Common stock amounted to \$1.83 per share.

Inventory of all merchandise, based on the lower of cost or market value, shows a reduction of over 25% from the previous year.

Cash and Government Securities have increased very satisfactorily with payables decreased, giving a ratio of current assets to current liabilities of better than 7 to 1. This being true even though substantial cash payments were made in reduction of plant mortgages, dividends, retirement of Preferred stock, as well as for plant extension, machinery, equipment and other substantial items.

Cash dividends were declared and paid during the year of \$77,565.25 on the Preferred stock and \$65,580.75 on the Common stock. In addition to this, the back accumulated Preferred dividends have been completely cleared up, same amounting to \$174,394.00. This was done through the complete cooperation of the Preferred Shareholders, whereby all of the old shares of the Preferred stock, together with the accumulated dividends, have been retired or replaced by the new Prior Preferred stock, the latter being the only Preferred issue now outstanding.

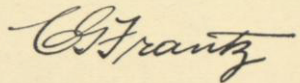
A great amount of time and money has been expended in research and development work for the improvement of the Company's products. As a result of this work the introduction of some of these new models, together with the highly satisfactory volume of contract business, has since February of this year resulted in a volume that has taxed the capacity of the Company's plants.

The Directors have felt that the Company's future would be further assured through extending the line of products in the major household electrical field by adding an electric refrigerator to be marketed under the well known trade name APEX. Therefore in February of this year, the Electric Refrigeration Division of The Wayne Home Equipment Company, Fort Wayne, Indiana, was purchased outright, thereby securing a going business of a proved product, with ample plant facilities being leased under a very favorable arrangement.

While this current year will perhaps be one of rather close margins, the Directors feel that with the present line of products—including the recently acquired Electric Refrigerator—a satisfactory volume and profit can be maintained.

It is a pleasure to be able to comment on the cooperation and loyalty which the entire organization has shown during the past year in coping with conditions which made it difficult to produce satisfactory results.

For the Directors,



President.

The Apex Electrical Manufacturing Company and Subsidiaries
CLEVELAND, OHIO

CONSOLIDATED BALANCE SHEET

As of the close of business December 31, 1930

A S S E T S

CURRENT

Cash.....	\$	46,567.85	
U. S. government securities.....		601,719.09	
Notes and acceptances receivable.....		2,483.24	
Accounts receivable.....	\$375,623.88		
Less: Allowance for doubtful, etc.....	94,356.60	281,267.28	
Merchandise inventory (certified by management).....		457,561.37	\$1,389,598.83

OTHER ASSETS

Miscellaneous accounts receivable, investments, etc.....			52,497.34
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PERMANENT

Land, buildings, machinery, equipment, etc., as appraised by The American Appraisal Company as of October 31, 1924 with subsequent additions at cost.....	\$1,411,267.59		
Less: Allowance for depreciation.....	613,762.00	797,505.59	

PATENTS, LICENSES, ETC.			107,686.91
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DEFERRED

Advance royalties, prepaid expenses, etc.....		79,509.06	
			<u>\$2,426,797.73</u>

L I A B I L I T I E S

CURRENT

Accounts payable for purchases, expenses, pay rolls, etc.....	\$	130,404.72	
Accrued:			
Federal income tax estimated.....	\$	33,000.00	
Real and personal taxes and interest.....	18,834.87	51,834.87	
Dividend payable January 1, 1931 on prior preferred stock.....		16,315.25	\$ 198,554.84

DEFERRED LIABILITY

Notes payable—secured by mortgage.....			91,480.00
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RESERVE FOR GENERAL CONTINGENCIES, ETC.			208,386.27
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DEFERRED INCOME (on installment sales).....			32,181.34
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CAPITAL STOCK

Prior preferred—\$7.00 cumulative			
Authorized and issued 9,630 shares of which 319 shares are in the treasury.....	\$931,100.00		
Scrip exchangeable for 40.94 shares.....	4,094.00	\$	935,194.00

Common (without par value)

Authorized 90,000 shares—issued and to be issued 87,968 shares of which 239 shares are in the treasury			
Stated common capital.....		200,000.00	

SURPLUS ACCOUNTS

Capital surplus.....	\$239,365.74		
Unearned surplus.....	86,202.84		
Profit and loss-surplus.....	435,432.70	761,001.28	1,896,195.28
			<u>\$2,426,797.73</u>

The Apex Electrical Manufacturing Company and Subsidiaries
CLEVELAND, OHIO

CONSOLIDATED INCOME AND EXPENSE AND PROFIT AND LOSS-SURPLUS

December 31, 1930

INCOME AND EXPENSE

Gross profit after deducting cost of sales, but exclusive of depreciation		\$1,381,721.02
Expenses:		
Selling and shipping.....	\$764,895.62	
General and administrative.....	199,767.92	964,663.54
OPERATING PROFIT BEFORE DEPRECIATION.....		\$ 417,057.48
Provision for depreciation.....		89,375.06
OPERATING PROFIT.....		\$ 327,682.42
Other deductions.....	\$125,460.00	
Less: Other income.....	54,540.18	70,919.82
PROFIT BEFORE FEDERAL TAXES.....		\$ 256,762.60
Provision for Federal taxes.....		33,000.00
NET PROFIT.....		<u>\$ 223,762.60</u>

PROFIT AND LOSS-SURPLUS

BALANCE December 31, 1929—as shown by report.....	\$ 366,230.40
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A D D I T I O N S

Net profit for the year ended December 31, 1930—as set forth above	\$223,762.60	
Excess of income realized on installment accounts over amount deferred	44,074.70	267,837.30
		<u>\$ 634,067.70</u>

D E D U C T I O N S

Par value of prior preferred stock issued in exchange for preferred stock and in lieu of accumulated dividends thereon, on the basis of 1.22 shares of the former for one of the latter, in excess of previous issue.....	\$174,394.00	
Less: Amount allocated to capital surplus.....	118,905.00	\$ 55,489.00
Dividends—cash:		
Preferred—3½%.....	\$ 28,164.50	
Prior preferred \$5.25 per share.....	49,400.75	
Common—\$.75 per share.....	65,580.75	143,146.00
		198,635.00
BALANCE DECEMBER 31, 1930.....		<u>\$ 435,432.70</u>

The Apex Electrical Manufacturing Company and Subsidiaries
CLEVELAND, OHIO

CERTIFICATE OF AUDITORS

March 14, 1931

**The Apex Electrical Manufacturing Company,
Cleveland.**

Gentlemen:-

We have examined the books of account and record of THE APEX ELECTRICAL MANUFACTURING COMPANY and its SUBSIDIARIES as of the close of business December 31, 1930, and have made a general review of the operating accounts for the year then ended.

Cash funds and securities were verified and we listed the unpaid balances on customers' accounts but did not correspond with the individual debtors. In our opinion, sufficient allowance has been provided for doubtful accounts. The merchandise inventory as taken and priced under the direction of the management was certified by a responsible official, the basis of valuation being stated as the lower of cost or market. We made limited checks of the inventory quantities and tested the accuracy of mathematical computations and basis of pricing.

Charges to permanent asset accounts, representing additions for the year, in our opinion, based upon examination of supporting data, are of a properly capitalizable nature.

Provision has been made in the accompanying balance sheet for all ascertained liabilities of the Companies.

WE HEREBY CERTIFY, that we have examined the books of account and record of THE APEX ELECTRICAL MANUFACTURING COMPANY—CLEVELAND AND SUBSIDIARIES, as of the close of business December 31, 1930, and that, in our opinion, based upon the records examined and information obtained by us, the accompanying consolidated balance sheet sets forth the financial position of the combined Companies at the date named.

Very truly yours,

ERNST & ERNST
Certified Public Accountants

FACTORIES

CLEVELAND, OHIO — OAKLAND, CALIFORNIA — FT. WAYNE, IND.

WHOLLY OWNED SUBSIDIARY COMPANIES

Apex Rotarex Corporation - - - - - Cleveland, Ohio
United States distributing division

Apex Rotarex Corporation Limited - - - - - Toronto, Ont., Canada
Canadian distributing division

The Johnson Washer Company - - - - - Oakland, California
United States West Coast manufacturing and distributing division

The Factory Holding Company - - - - - Cleveland, Ohio
Owner of Cleveland manufacturing plants

SALES OFFICES

In Principal Cities

